

AMENDED IN SENATE JUNE 27, 2012

AMENDED IN ASSEMBLY APRIL 26, 2012

AMENDED IN ASSEMBLY APRIL 10, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2435

Introduced by Assembly Member Roger Hernández

February 24, 2012

An act to amend Section 12000 of, and to add Section ~~33329~~ 33338 to, the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2435, as amended, Roger Hernández. Education finance: indirect cost rates.

Existing law requires the State Board of Education to direct the allocation and apportionment of federal funds to school districts, as defined, and other agencies entitled to receive those funds. Existing law authorizes the State Department of Education to take numerous actions with respect to the receipt of funding by school districts and other local educational agencies.

This bill would require the State Department of Education, and any other state agency that administers a grant or allocation of federal funds to a school district, as defined, to allow an indirect cost rate, as defined, that is not less than the indirect cost rate established by the department for each school district, unless federal law requires a lower indirect cost rate for school districts receiving federal funds. The bill would impose similar requirements on the department with respect to grants or allocations of state funds.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12000 of the Education Code is amended
2 to read:

3 12000. (a) If, by any act of Congress, funds are provided as
4 federal aid to education to the several states and the disposition of
5 the funds is not otherwise provided for by or under the act of
6 Congress or by or under any law of this state, the apportionment
7 and distribution of those funds to school districts shall, insofar as
8 consistent with the requirements prescribed by the federal law and
9 implementing rules and regulations, be governed by the standards
10 set forth in this article.

11 (b) If a federal law designates a state educational agency or
12 other agency or officer primarily responsible for state supervision
13 of public schools, that designation shall be deemed to refer to the
14 state board. The state board shall make timely application for any
15 federal funds made available, and shall, pursuant to the federal
16 law and this article, direct the allocation and apportionment of the
17 federal funds to school districts.

18 (c) The department and any other state agency that administers
19 a grant or allocation of federal funds to a school district, shall allow
20 an indirect cost rate, as that term is defined in Section 33329, that
21 is not less than the indirect cost rate established by the department
22 for each school district, unless federal law requires a lower indirect
23 cost rate for school districts that receive federal funds.

24 (d) For purposes of this section and Section 12001, “school
25 districts” include school districts, county offices of education, and
26 other educational agencies or entities deemed eligible pursuant to
27 state and federal law.

28 SEC. 2. Section ~~33329~~ 33338 is added to the Education Code,
29 to read:

30 ~~33329.~~

31 33338. (a) The department or any other state agency that
32 administers a grant or allocation of state funds to a school district;
33 shall allow an indirect cost rate that is not less than the indirect
34 cost rate established by the department, unless a lower rate is
35 required by law.

(b) As used in this section:

(1) “Direct cost” means a cost that provides measurable, direct benefits to a particular program of an agency. Direct costs of a local educational agency include, but are not necessarily limited to, salaries and benefits of teachers and instructional aides, costs for purchasing textbooks and instructional supplies, and costs for providing pupils with counseling, health services, and transportation.

(2) “Indirect cost” means the agencywide, general management cost of the activities for the direction and control of the agency as a whole. Indirect costs include, but are not necessarily limited to, administrative activities necessary for the general operation of the agency, such as accounting, budgeting, payroll preparation, personnel services, purchasing, and centralized data processing.

(3) “Indirect cost rate” means the indirect cost rate established by the department for each school district.

(4) “School district” has the same meaning as defined in subdivision (d) of Section 12000.